

**RCW 43.365.020 Program criteria—Permissible expenditures—
Maximum funding assistance—Funding assistance approval—Rules—
Reports.**

(1) The department must adopt criteria for the approved motion picture competitiveness program with the sole purpose of revitalizing the state's economic, cultural, and educational standing in the national and international market of motion picture production. Rules adopted by the department shall allow the program, within the established criteria, to provide funding assistance only when it captures economic opportunities for Washington's communities and businesses and shall only be provided under a contractual arrangement with a private entity. In establishing the criteria, the department shall consider:

- (a) The additional income and tax revenue to be retained in the state for general purposes;
- (b) The creation and retention of family-wage jobs which provide health insurance and payments into a retirement plan;
- (c) The impact of motion picture projects to maximize in-state labor and the use of in-state film production and film postproduction companies;
- (d) The impact upon the local economies and the state economy as a whole, including multiplier effects;
- (e) The intangible impact on the state and local communities that comes with motion picture projects;
- (f) The regional, national, and international competitiveness of the motion picture filming industry;
- (g) The revitalization of the state as a premier venue for motion picture production and national television commercial campaigns;
- (h) Partnerships with the private sector to bolster film production in the state and serve as an educational and cultural purpose for its citizens;
- (i) The vitality of the state's motion picture industry as a necessary and critical factor in promoting the state as a premier tourist and cultural destination;
- (j) Giving preference to additional seasons of television series that have previously qualified and to motion picture productions that tell stories of marginalized communities; and
- (k) Other factors the department may deem appropriate for the implementation of this chapter.

(2) The board of directors shall create and administer an account for carrying out the purposes of subsection (4) of this section.

(3) The board's goal must be to commit at least 20 percent of funding assistance to motion picture productions located or filmed in rural communities and 20 percent of funding assistance to motion picture productions that tell stories of marginalized communities.

(4) Money received by the approved motion picture competitiveness program shall be used only for:

- (a) Health insurance and payments into a retirement plan, and other costs associated with film production;
- (b) Staff and related expenses to maintain the program's proper administration and operation;
- (c) Supporting the growth and development of the Washington state film industry through career connected learning, workforce development, and business development with a focus on better supporting people from marginalized or rural communities; and
- (d) Developing resources to facilitate filming in rural communities including, but not limited to, economic development grants

for filming, training for film liaisons, information about film permitting processes, and grants to support the expansion of location database collateral.

(5) Except as provided otherwise in subsections (8) and (9) of this section, maximum funding assistance from the approved motion picture competitiveness program is limited to an amount up to thirty percent of the total actual investment in the state of at least:

(a) Five hundred thousand dollars for a single motion picture produced in Washington state; or

(b) One hundred fifty thousand dollars for a television commercial associated with a national or regional advertisement campaign produced in Washington state.

(6) Except as provided otherwise in subsections (8) and (9) of this section, maximum funding assistance from the approved motion picture competitiveness program is limited to an amount up to thirty-five percent of the total actual investment of at least three hundred thousand dollars per episode produced in Washington state. A minimum of six episodes of a series must be produced to qualify under this subsection. A maximum of up to thirty percent of the total actual investment from the approved motion picture competitiveness program may be awarded to an episodic series of less than six episodes.

(7) With respect to costs associated with nonstate labor for motion pictures and episodic services, funding assistance from the approved motion picture competitiveness program is limited to an amount up to fifteen percent of the total actual investment used for costs associated with nonstate labor. To qualify under this subsection, the production must have a labor force of at least eighty-five percent of Washington residents. The board may establish additional criteria to maximize the use of in-state labor.

(8) (a) The approved motion picture competitiveness program may allocate an annual aggregate of no more than ten percent of the qualifying contributions by the program under RCW 82.04.4489 to provide funding support for filmmakers who are Washington residents, new forms of production, and emerging technologies.

(i) Up to thirty percent of the actual investment for a motion picture with an actual investment lower than that of motion pictures under subsection (5) (a) of this section; or

(ii) Up to thirty percent of the actual investment of an interactive motion picture intended for multiplatform exhibition and distribution.

(b) Subsections (5) and (6) of this section do not apply to this subsection.

(9) (a) In addition to the maximum funding assistance established in subsections (5) and (6) of this section, up to a 10 percent enhancement award on a motion picture production's state investment must be given for motion pictures: (i) Located or filmed in a rural community; or (ii) that tell stories of marginalized communities.

(b) Total actual investment requirements established in subsections (5) and (6) of this section apply to this subsection (9).

(10) (a) Funding assistance must include up to \$3,000,000 for small motion picture productions produced in Washington state, subject to subsection (11) of this section, that are creatively driven by Washington residents. To qualify, the small motion picture production must have at least two Washington residents in any combination of the following positions: Writer, director, producer, or lead actor. An entity seeking funding assistance for a small motion picture

production must demonstrate that the amount of the total actual investment for the production is less than \$1,000,000.

(b) Maximum funding assistance and total actual investment requirements, established in subsections (5), (6), (7), (8), and (9) of this section apply to small motion picture productions. The department shall adopt rules as necessary to implement this subsection (10).

(11) Funding assistance approval must be determined by the approved motion picture competitiveness program within a maximum of thirty calendar days from when the application is received, if the application is submitted after August 15, 2006. For small motion picture productions, the approved motion picture competitiveness program, after determining a conditional approval of the production, shall hold the production's funding assistance in reserve while the entity seeking funding assistance for the production secures financing for the remainder of the budget. Once the entity seeking funding assistance for the production demonstrates to the program that it has secured the necessary financing, the program shall certify the small motion picture production as approved. If the entity seeking funding assistance cannot demonstrate within six months from the date of conditional approval that it has secured the total budget, the program must make the funding assistance available to other eligible applicants with funding assistance approval.

(12) By December 31, 2022, and annually thereafter, the department, on behalf of the board, must report to the legislature on the approved motion picture competitiveness program. This report may include information required in the survey established in RCW 43.365.040. At a minimum, the report must include an annual list of recipients awarded financial assistance from the prior year with total estimated production costs, locations of each production, and the board's progress towards the goal of at least 20 percent of its funding assistance provided to motion picture productions located or filmed in rural communities and 20 percent of its funding assistance provided to motion picture productions that tell stories of marginalized communities. The report must also include information on workforce development, career connected learning, and business development activities, including whether they have been scaled up in size from the previous year and how they are meeting the goal of supporting people from marginalized communities.

(13) The approved motion picture competitiveness program must allocate funds for training and job placement for marginalized communities as follows:

(a) For fiscal years 2023 and 2024, a minimum of \$500,000 for each fiscal year; and

(b) For each fiscal year on or after July 1, 2024, a minimum of \$750,000. [2022 c 270 § 4; 2012 c 189 § 2; 2009 c 100 § 1; 2008 c 85 § 1; 2006 c 247 § 3.]

Effective date—2009 c 100: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [April 15, 2009]." [2009 c 100 § 2.]